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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

12 WILLIAM J. HOFFMAN, Court-
13 appointed permanent receiver for
14 Defendant Nationwide Automated
15 Systems, Inc., Relief Defendants Oasis
16 Studio Rentals, LLC, Oasis Studio
17 Rentals #2, LLC, and Oasis Studio
18 Rentals #3, LLC, and their subsidiaries
19 and affiliates,

20 Plaintiff,

21 v.

22 HARVEY TURELL, individually and as
23 Trustee of the HARVEY AND LINDA
24 TURELL FAMILY TRUST; and
25 LINDA TURELL,

26 Defendants.

Case No. 2:15-cv-06720-SJO-FFM

PLAINTIFF WILLIAM J. HOFFMAN'S
RESPONSE TO ORDER TO SHOW
CAUSE RE DISMISSAL FOR LACK
OF PROSECUTION

Judge: Hon. S. James Otero

1 Plaintiff William J. Hoffman of Trigild, Inc. ("Receiver"), the Court-
2 appointed permanent receiver for Nationwide Automated Systems, Inc. ("NASI"),
3 Oasis Studio Rentals, LLC, Oasis Studio Rentals #2, LLC, Oasis Studio
4 Rentals #3, LLC, and their subsidiaries and affiliates ("Receivership Entities"),
5 hereby responds to the Court's Order to Show Cause Re: Dismissal for Lack of
6 Prosecution filed on December 9, 2015 ("Order to Show Cause") (Dkt. No. 18), as
7 follows:

8 Since the commencement of this action, the Receiver has diligently pursued
9 prosecution of the alleged claims against defendants Harvey Turell, individually and
10 as Trustee of the Harvey and Linda Turell Family Trust, and Linda Turell
11 (collectively, "Turells"). The Summons and Complaint were properly served on the
12 Turells, but their deadline to file responses to the Complaint was previously
13 extended by stipulation and Court Order to November 30, 2015. (Dkt. Nos. 13, 14-
14 16, 17.) The extension was agreed upon by the parties as a consequence of the
15 Turell's submission of a Financial Hardship Application along with supporting
16 financial documentation ("Application") and the Receiver's need to review the
17 Application to determine if a settlement below the Court-approved settlement
18 threshold is warranted in light of the Turell's assets, income, and net worth. (*See*
19 Dkt. Nos. 14-15.)

20 The Receiver and his team have since worked diligently to collect additional
21 documents from the Turells, the last of which were provided on December 4, 2015,
22 and review the financial records provided. Following an extensive review, the
23 Receiver recently determined the Turells' assets, income, and net worth do not
24 warrant a reduced settlement, and on December 9, 2015, sent a letter to their counsel
25 formally denying the Turells' Application.

26 Through the Receiver's review of the Turells' financial records, the Receiver
27 learned they executed and recorded a series of documents which transferred their
28 joint interest in the real property located at 4374 Park Monte Nord, Calabasas,

1 California ("Property"), into separate qualified personal residence trusts ("QPRTs").
 2 These transfers were made in August 2015, shortly after the Turells received notice
 3 of the Receiver's claims against them and for the purpose of shielding the Property
 4 from the Receiver's claims. As such, the Receiver determined it was necessary to
 5 file a First Amended Complaint in order to name the QPRTs as additional
 6 defendants and add a fraudulent transfer claim to set aside the Turells' transfers of
 7 the Property to the QPRTs. The Receiver's First Amended Complaint is being filed
 8 concurrently herewith.

9 The Receiver has acted expeditiously to prosecute this action efficiently and
 10 effectively, and with a minimal expenditure of judicial and receivership estate
 11 resources. Under the circumstances, and with the filing of the First Amended
 12 Complaint herewith, the Receiver respectfully requests that the Order to Show
 13 Cause be discharged.

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 15 Dated: December 15, 2015

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 TED FATES
 TIM C. HSU

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 17
 18 By: /s/ Tim C. Hsu

19 TIM C. HSU
 20 Attorneys for Receiver
 21 WILLIAM J. HOFFMAN
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